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Business Opportunity:

Instructions: Provide copies of any business plans, strategic plans, business valuations, investor presentations and one page summaries made within the past two years. Also provide copies of all sales and marketing materials and a short description of each product or service offered. Complete the following table.

Mission/Vision Statement:	
Industry Positioning:	(describe industry, growth rate, market potential, number and size of competitors, identify major competitors and indicate if publicly traded)
Competitive Advantages:	Specific Strengths.
Barriers to Entry:	

Capital Expenditures:	
Acquisition or Growth Strategy:	
Risks and Weaknesses:	
Other Factors:	

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Combined Historical and Proforma Financials:

Instructions: Provide the following information and complete the table below.

Please provide the following:

1. Copies of (i) the audited (unaudited, if there is no audit) balance sheet, statement of income and, cash flow statement; and (ii) the internally generated financial statements of the Company for each of the months ended after the last fiscal year.

2. Copies of all management letters from the Company's accountants for each of the last three fiscal years.

Please complete the following table:

ACTUAL																	PROFORMA																
TOTAL																	TOTAL																
2004																	2005																
Q1 04																	Q1 05																
Q2 04																	Q2 05																
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Capital Structure and Past Financings:

Provide details of ownership structure, capital structure, including major shareholders, debtholders, and each class of stock outstanding. Attach additional sheets as needed.

List of all past financings, loans and credit lines (including amount, date of transaction, and name and address of source of funds). Attach copies of term sheets, PPM's and closing documents for each financing detailing registration and piggyback rights, covenants, adjustments, default provisions, and any other material terms.

Explain and attach any copies of any agreements to pay finders fees or brokers fees in relation to the proposed financing, as well as for past financings above.

Break down and explain the use of proceeds from this investment and any previous rounds of financing within the past two years. Attach additional sheets as needed.

Provide copies of any appraisals, independent or otherwise, made within the last 5 years as to the value of the Company or any of its subsidiaries or any property thereof.

Explain and provide copies of any revenue sharing, earnings sharing or earn-out agreements in existence or planned as a result of this transaction or proposed acquisitions.

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Backlog and Pipeline:

Provide a summary and breakdown of the current backlog of the Company and of any Acquisition targets.

Provide explanations of any significantly increased sales you projected in the Customer References Worksheet.

Provide copies of any significant agreements, e.g. royalty or license agreements, long term sales contracts or distribution agreements with customers listed in the Customer References Worksheet.

List and provide copies of all agreements with the Company's customers listed in the Customer References Worksheet currently in effect or under consideration, including any service, support, warranty or maintenance agreements.

List and provide copies of all significant agreements with the Company's vendors, manufacturers, retailers, brokers and suppliers, including for the supply of materials used in the business of the Company.

Provide an accounts payable worksheet including contact information for the Company's five largest suppliers and a brief description of each relationship.

List and provide copies of all agreements pursuant to which the Company's products or services are or will be manufactured or provided by, or pursuant to which the Company acquires products or components for products from, third parties in connection with any business of the Company.

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Capex:

Please provide a breakdown of all capital equipment purchases in the past five years and as projected for the next five years including price paid, current market value, replacement cost, useful life, disposition plans, and ongoing service and maintenance costs.

Please provide a list of Research and Development costs for the past five years and as projected for the next five years.

Please provide working capital requirements for each of the past five years and as projected for the each of the next five years.

Please provide copies of any contracts or commitments relating to Capital Equipment Lease or Purchase or R&D expense contracts.

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Receivables:

Please provide a copy of your most recent accounts receivable aging report as well as quarterly DSO's for the past two years.

What is the company's charge-off (bad debt) policy?

How are collections handled?

Please explain any negative trends.

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Personnel & Compensation:

Organizational chart showing complete organization and job descriptions for executives and senior management.
Also provide CV's for all senior management

Number of employees, FT vs. PT, Employees to Manager ratio. Are any of the operations subject to unions/unionization?

Provide employment agreements for all key executives and any and all compensation of any kind to management.

List non-cash compensation and perks of management (automobile expenses, etc.)

Describe the bonus/incentive plans for management and all employees. Are they tied to performance or are they subjective? How are amounts determined? Are there written policies covering the process? If so, please furnish copies.

Provide copies of senior management performance reviews (most recent years).

How are Directors nominated? How are Directors compensated?

How is the sales force compensated (both the in-house sales force or reps and distributors)?

How much can a sales person earn? What are average earnings, and how does that compare to the industry norms?

What has been the turnover rate in sales personnel for the last two years? How are sales personnel evaluated?

Describe any and all real or potential conflicts of interest between key executives, management, directors and the Company. Include any inter-related party leaseholds, transactions, loans or arrangements.

Provide a summary of business and personal relationships and affiliations among directors, officers,

Personnel

shareholders, creditors, customers, suppliers and other business affiliates.

Provide complete documentation relating to the employment of foreign nationals by the Company.

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Properties:

List of Websites, Copies of Trademarks/Patents and current status of patent applications.

List and describe any real estate presently or formerly owned, leased, subleased or used, detailing size, use, cost basis, market value, lease payments and lessor's contact information.

Provide copies of all lease agreements, loans and subleases related to all properties listed above.

Provide a listing of all liens against properties listed above.

Describe significant equipment, machinery, or computers including a schedule of acquisition dates, costs, useful life, and present book value.

Provide copies of any audits conducted on or relating to the equipment or systems of the Company.

Provide a listing of all liens against equipment listed above.

Provide a list of all trademarks, trade names and fictitious business names owned or used in the Company's business, whether registered or unregistered; and copies of federal or state registrations.

Provide a list of all patents owned or applied for by the Company, with descriptive titles, numbers and jurisdiction and copies of all correspondence to or from examining authorities or other parties regarding such patents and patent applications.

Provide a list of copyrights claimed by the Company; and copies of filings and documentation used to protect the same, with descriptive titles, numbers and jurisdiction.

Provide a list of all trademarks, trade names, patents, copyrights, trade secrets and other proprietary

Properties

rights licensed from or to others; copies of license and sublicense agreements and any other agreements pursuant to which the Company has assigned any technology or intellectual property rights to, or obtained any technology or intellectual property rights from, third parties.

Provide a list of any other intangibles, if any, held by the Company, including but not limited to, trade secrets, inventions and technical information. All other agreements pursuant to which the Company has assigned any technology or intellectual property rights to, or obtained any technology or intellectual property rights from, third parties in connection with any business of the Company.

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Miscellaneous:

Provide a detailed list of ALL pending and past legal actions, administrative proceedings, or investigations threatened or involving the Company, its acquisition targets, divisions, property, assets, directors, officers, employees or agents.

Provide copies of press clippings, articles (including 3rd party articles), and conference call transcripts originating within the past 3 years.

Provide copies of any periodic management reviews evaluating the performance of the company.

List memberships in any national, state, or local trade or regulatory organizations and clubs.

Explain the applicable regulatory requirements for the industry including, where applicable, compliance with environmental laws.

List and provide copies of all franchises, permits, governmental certifications, concessions or similar authorizations necessary to the conduct of business.

Provide copies of all material regulatory filings with federal, state and local agencies.

Provide a list of all current insurance coverage including risk covered, aggregate and per event limits, annual premium, carrier and expiration date. List any termination by an insurance carrier in the last 2 years. List any significant claims in the past 5 years.

Provide a list of former divisions that were sold, abandoned or otherwise disposed of since the formation of the company.

Provide copies and descriptions of all guarantees of obligations of third parties and any similar agreements.

Provide a description of any contingent liabilities.

Provide copies of all agreements relating to technology or intellectual property that are material to the business of the Company, including agreements, understandings and proposed transactions with employees (past and present), consultants, stockholders and other third parties regarding ownership and/or use of intellectual property, and confidentiality, nondisclosure or assignment of inventions or intellectual property rights.